

AGENDA ITEM III C 3

PROPOSED ACADEMIC PROGRAM

SOUTHEASTERN LOUISIANA UNIVERSITY

B.S. IN SUPPLY CHAIN MANAGEMENT (SCM)

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BACKGROUND INFORMATION

Southeastern Louisiana University (SLU) seeks Board of Regents' approval to offer a Bachelor of Science (B.S.) degree program in Supply Chain Management (SCM), effective Fall 2008. Currently, through its Department of Marketing and Finance in the College of Business, the University offers a baccalaureate degree in Marketing with a concentration in Supply Management. The proposed program would replace the existing concentration.

The Letter of Intent for this projected program was approved by the Board in January. The Board acted as follows:

Conditional approval is granted for the proposed Letter of Intent for the projected B.S. in Supply Chain Management (CIP Code 52.0203) at Southeastern Louisiana University. Any forthcoming proposal submitted as a result of this Letter of Intent shall address funding concerns as expressed in the staff summary.

The proposed degree was approved by the University of Louisiana System Board of Supervisors at its meeting of March 28, 2008. Subsequently, Regents' Staff received the full proposal. Staff then engaged the services of an external consultant in the field of SCM to review the proposal. Dr. Steve Barr, Professor and Head of the Department of Management, Innovation, and Entrepreneurship at North Carolina State University, provided his assessment in May of 2008. Promptly, the University responded to his concerns, which were in large part centered around curricular issues and faculty resources (these issues are addressed below in the appropriate sections of the "Staff Summary" section below).

STAFF ANALYSIS

1. Description/Objectives

From the proposal, the University describes SCM as follows:

Supply Chain Management is an interdisciplinary field comprised of Marketing, Production & Operations Management, and Information Systems. It emphasizes cross-functional links and seeks to manage those links to enhance a company's competitive advantage. It involves forecasting, resource allocation, production planning, flow and process management, inventory management, customer delivery, after-sales support and

service, and a host of other activities and processes familiar and basic to business. Competitive pressures are intense. Sophisticated techniques have been devised to expedite information flow, including on-board computers for trucks and ships, satellite tracking systems, and the electronic transmission of order and shipping information. It not only includes the organization, but also its suppliers, buyers, vendors, customers, and others with whom it interacts.

The proposal states various outcome objectives that SCM graduates will attain:

- a. Acquire basic knowledge of essential SCM principles and concepts;*
- b. Develop specific knowledge and demonstrate an understanding of Advertising, Marketing Communications, e-Commerce, Production & Operations Management and Computer Information Systems;*
- c. Develop appropriate technology (such as RFID - Radio Frequency Identification) for the purposes of information processing and problem solving;*
- d. Apply sound design principles to the development and management of supply chains;*
- e. Evaluate and promote appropriate new supply chain technology into an organization's strategic plans; and*
- f. Enter the work force or graduate school to pursue interests in purchasing, logistics, consulting, technical support, human resources, or training.*

Additionally:

The program will prepare individuals to manage and coordinate logistical functions in an enterprise, ranging from acquisitions to receiving and handling, through internal allocation of resources to operations units, to the handling and delivery of output.

The proposed curriculum totals 123-125 hours: 33 are SCM major course requirements; 42 are core business requirements; and 48-50 are general education requirements.

The following consultant suggestions and responses focus on curricular matters:

Consultant's Report:

With regard to the curriculum, the external consultant suggested that MGMT 484 (Project Management) be made a requirement.

Response:

It is now a required course taken during the second semester of the Junior year. Originally, MGMT 484 (Project Management) was paired with MRKT 391 (Marketing - SCM - Internship) to allow students to either study how projects are planned and tracked or provide them with an opportunity to go out into the field and gain SCM project experience. Nevertheless, the consultant's view of requiring MGMT 484 is shared by the

Supply Chain Management committee.

MGMT 484 is now scheduled as a required course during the second semester of a student's third year in the program. The opportunity to have students in the field as interns has been moved to the second semester of the fourth year in the program and is now paired with MRKT 331 (Retailing). Students who are unable to secure internships will study the functionality of the retail end of the supply chain.

Consultant's Report:

The consultant suggest that the program requires a "principles" course to introduce students to business processes and controls.

Response:

A new "Principles of Supply Chain Management" course will be added.

The SCM committee agrees with the consultant that a "principles" course in Supply Chain Management is needed to further organize the field of study and to increase the depth of the program. It will be added to the first semester of the Junior year when students are taking other "principles" courses in business.

Survey courses of this type generally introduce students to numerous topics in the field which are later expanded upon in supporting 3-hour courses. We see this in our program with such courses as: Management Science (which includes Forecasting), Purchasing and Supply Management, Production and Operations Management, Logistics Management and Transportation, Human Resources and various Information System topics.

We view the purpose of the "principles" course as an introduction to "business processes and controls" where supporting courses can provide the needed depth of study of the subject. We envision the "principles" course with the following description:

*MRKT 3XX. Principles of Supply Chain Management. Credit 3 hours.
Prerequisite: Junior Standing, MGMT 261 and either CMPS 110 or GBBT 210.
A study of how Supply Chain Management impacts all the areas of the firm and how managers can improve their competitive position by employing many of the purchasing, operations and logistics practices and processes discussed throughout the course.*

Additionally, several courses will require revisions to their prerequisites to reflect this new course. Such courses include: MRKT 320, MRKT 420, MRKT 430, etc.

Consultants Report:

The consultants suggests that the program requires a “practicum” course similar to Capstone for Supply Chain Management.

Response:

We envisioned MRKT 430 as our “practicum” course.

The Supply Chain Management committee envisioned MRKT 430 as a “capstone” course for the program. We are happy to see that the consultant agreed with our logic, stating that this was a “must have” course and it should be kept.

However, we do feel that there may have been some confusion in the use of the course, as its catalogue description does not include context referring to the course as a “practicum” or “projects” oriented class. To do so (again pending University Curriculum Committee approval), we will change the course description as follows:

*MRKT 430: Current Issues in Supply Chain Management Credit 3 hours.
Prerequisite: Senior Standing, MRKT 320, MRKT 420, and MGMT 474. This course is designed to introduce students to current purchasing, operations, logistics, and information systems practices within the firm operating in the global environment. Special emphasis is placed on improvement initiatives as they relate to the overall Supply Chain strategy of the firm. A team-based project is required.*

The short-term plan for the course is to introduce students to a current supply chain issue (e.g., Radio Frequency Identification) and incorporate it with a “practicum” student project - thus, providing for practical applied learning in the program.

A revised curriculum can be found in Appendix I.

2. Need

The proposal notes that no public institution of higher education in Louisiana offers a degree in the field of SCM. As such, the University contends that the program is needed to fill an educational void in this area that exists in the State. Furthermore, the University has provided documentation in its proposal that supports their case in that there is strong interest from industry leaders in the Hammond area.

In its Letter of Intent for the projected program, the University maintained that the proposed program “would demonstrably promote economic development in the State.” The staff, in its recommendation to the Board, indicated that the potential for positive economic impact of such a program would be self-evident; however, the University’s contention “cannot be taken on face value and must be supported by substantive evidence in any forthcoming proposal.” In the full

proposal, the University contends that there is support for economic development on both the supply and demand side. With regard to supply, the University maintains the following:

Industry Advisory Board Support: Need for Labor

*Several Distribution Centers exist in and around southeast Louisiana. For example, Wal*Mart has a center in Robert, Louisiana; Associated Grocers has a center in Hammond, Louisiana; Winn Dixie also has a center in Hammond, Louisiana; and Cardinal Health has a center on the north shore.*

A listing of industry advisors to Southeastern's current Supply Management concentration is located in Appendix A. Each has been very involved with the concentration since its inception in 2003. All were surprised, yet extremely happy to learn that Southeastern would be putting together this proposal for a four-year program in Supply Chain Management. Once again, these advisors offered their assistance for the proposed program. Many wrote letters of support for your review. These can be found in Appendix B. (On file in the Office of Academic Affairs.)

With regard to demand and support for not only the State but national economy, the University states:

Support for the Local Economy: The I-12 Corridor Marketing Study

AngelouEconomics conducted a site-selection based industry cluster analysis of the 5 parish region (St. Helena, Livingston, Tangipahoa, Washington and St. Tammany) to determine which industries are dominant in the area. These clusters were analyzed to determine national and regional growth trends. Then, local assets that benefit the clusters were identified.

Locally, AngelouEconomics assessment of the I-12 Corridor includes market access to Southeastern, Midwestern and Southwestern population centers around the country that impact over 75 million people located within a 600-mile radius. Couple the corridor's advantageous location with full tax credits on inventory taxes in Louisiana helps make the region a viable candidate for Supply Chain and Logistics businesses.

Support for the State Economy

Supply Chain Management and Logistics are boundary-spanning activities playing significant roles in both traditional and fast growing industries here in our state. Resource-rich Louisiana is a center for energy exploration and production, petrochemicals, pulp, paper, forest products, agriculture, advanced materials, manufactured goods and information technologies. Our state is a vital North American distribution and logistics hub centered in the fastest growing region of the United States and at the center of Western Hemisphere trade. Its installed supply chain and logistics infrastructure is among the most extensive in the North America. Connected to the nation's agricultural and industrial heartland by water, rail, and highway, Louisiana is truly a world class logistics hub.

Additionally, our graduates would be able to assist the Louisiana Department of Transportation & Development with its efforts to organize, plan and execute commission policies with Louisiana's Investment in Infrastructure for Economic Prosperity (LIIEP), which would help the state update its Statewide Transportation Plan. This project is intended to assist with the continued development of Louisiana's transportation policy and planning framework to achieve its economic development goals today and over the next 30 years.

Louisiana's continued emphasis and investment in Supply Chain Management and Logistics infrastructure is moving Louisiana into the top tier of states in which to work and do business in the 21st Century.

Support for the National Aggregate Economy

According to the 2005 Economic Report of the President, information technology is the fuel that runs manufacturing and its supply chains. It is a key contributor to economic growth and productivity, and its importance to the economy is growing. Information technology has made many workplace tasks easier, boosting people's productivity and the movement of goods. It has contributed significantly to growth in the country's prosperity. In the report, real gross domestic product (GDP) grew 2.9 percent in 2003, of which 0.8 of a percentage point was attributable to information technology.

The U.S. Bureau of Labor Statistics indicates that a bachelor's degree is the most significant source of postsecondary education or training for employment in manufacturing and computer/information technology occupations. Thus, such workplace trends necessitate that universities produce graduates with backgrounds in these areas.

In sum, the proposed degree program is fully consistent with workforce needs. It also designed to support regional, state and national trends in the industry.

3. Students

The University was directed to project the enrollment of the proposed program and estimate the number of graduates expected for the first five years by level of student and with a justification for the projections. The University responded:

Based on current enrollment and projected growth of the undergraduate degree in Marketing with a concentration in Supply Management, transfers from other departments within the College of Business, and other trends in Southeast Louisiana, we estimate that the proposed program would initially attract between 10 and 20 majors. Projections beyond the Freshman year are based on retention, advertisement of the program, and additional transfers from other business programs.

Expectations are that the program will graduate 10-20 students in its 4th year, and gradually increase to 30-40 students per year once the program is established.

<i>Year</i>	<i>Freshman</i>	<i>Sophomore</i>	<i>Junior</i>	<i>Senior</i>
<i>1</i>	<i>10-20</i>	<i>5-10</i>		
<i>2</i>	<i>15-25</i>	<i>10-20</i>	<i>5-10</i>	
<i>3</i>	<i>20-30</i>	<i>15-25</i>	<i>10-20</i>	
<i>4</i>	<i>25-35</i>	<i>20-30</i>	<i>15-25</i>	<i>10-20</i>
<i>5</i>	<i>30-40</i>	<i>25-35</i>	<i>20-30</i>	<i>15-25</i>

In addition, regional and state market demand for Supply Chain experts is increasing and will make this degree program attractive to students. In an October 2006 meeting, our industry advisory board indicated immediate regional needs for a minimum of 15-20 graduates in Supply Chain Management.

Additionally:

This program is expected to attract students with a broad range of interests. Their backgrounds are also likely to be quite diverse. Anticipated enrollment includes career-minded individuals already working in the industry, students from other regional universities, technical colleges and community colleges, as well as recent high school graduates.

Initial enrollment is projected to come from the conversion of the Supply Management concentration in Marketing. Also, since all Business majors have similar course requirements during the first two years, enrollment in the proposed program may include students wishing to change majors from other College of Business programs.

Additional support for the program will come from industry referrals (see Section 2 on Need). The proposed program's Industry Advisory Board (Appendix B) will also serve as recruiters for the program to enhance its enrollment and success. As the proposed program gains recognition and the awareness of job potential expands, the pool of applicants is expected to increase.

Given the regional status of the university, students are first expected to come from Louisiana and the Gulf Coast. National and international interest may also develop with significant support from the Industry Advisory Board.

4. Faculty

The proposal indicates that five (5), current full-time faculty members (three Associate Professors and two Professors) at the University will be used to support the proposed program. Additionally, eight (8) faculty members from the Departments of Marketing, Finance, and Management will serve the program in a "supporting" role. The University states that it will hire

one new, full-time SCM faculty member at the program's initiation, and another appointment will possibly be hired by year three (contingent upon program growth and demand).

Consultant's Report

The consultants suggested that the University consider adding 1-2 "mainline" Supply Chain Management faculty or some combination of tenured and industry experience (non tenure-track) faculty members.

Response:

This is already in process. Two tenure track positions have been dedicated to support the Supply Chain Management program. One position was approved in the 2007-2008 budget and will be advertised and filled in the 2008-2009 year. The second position has been approved in the 2008-2009 budget and will be advertised and filled in the 2009-2010 year.

5. Library and Informational Resources

The University contends that the library's facilities and holdings are sufficient for the initial implementation of the proposed program. With regard to future acquisitions, the proposal states:

While the current holdings are sufficient for the initiation of the program, the Library plans to continually add to its holdings in Supply Chain Management based on the needs of the faculty and students. The amount and types of materials to be added would be determined by classroom and research needs, and new holdings would be augmented with additional collections of electronic books, necessary print and/or electronic periodicals, and related materials.

In its documentation, the University maintains that for the first five years of the program, \$7,000 per year will be set aside for materials for SCM. And should additional materials be needed, supplemental funds will be allotted to the program.

6. Facilities and Equipment

In the proposal, the University attests that it has sufficient classroom and office space and computer laboratories needed to accommodate the proposed program. Minimal, minor construction will be required to reconfigure a space in Garrett Hall that will be used as a hosting area for the proposed program.

7. Administration

The proposed degree program will be housed in the Marketing and Finance Department within SLU's College of Business.

8. Accreditation

Degree programs offered through SLU's College of Business have AACSB (Association to Advance Collegiate Schools of Business) accreditation. They earned this accreditation initially in 1987, and were last reviewed during the 2002-2003 academic year. The next review by AACSB is scheduled for the 2012-2013 academic year at which time the University anticipates the proposed program to be accredited as well.

9. Costs

The costs associated with the proposed program are provided in Appendix II. The University notes that all funding for the new program will come from additional tuition revenue and reallocation of existing operating resources. Officials further contend that no new resources are needed.

STAFF SUMMARY

The staff concludes that the proposed program is a logical extension of the currently offered Marketing degree offered by the University with a concentration in Supply Chain Management. The proposed program will fill a void that exists given that no public institution of higher education in Louisiana offers such a degree. The staff observes that the external consultant's concerns were adequately addressed by the University, particularly in regard to curriculum and faculty resources. The University's request for immediate approval is reasonable; however, appropriate faculty staffing concerns should be addressed in a series of progress reports. Lastly, staff notes that with this conditional approval the concomitant termination of the Supply Chain Management concentration within the baccalaureate degree program in Marketing is appropriate. This termination, however, does not require Regents' action as concentrations are not listed in the Degree Inventory.

STAFF RECOMMENDATION

The staff recommends that the Academic and Student Affairs Committee grant conditional approval for the proposed Bachelor of Science (B.S.) degree program in Supply Chain Management (CIP Code 52.0203) at Southeastern Louisiana University, effective immediately. Beginning August 1, 2009, and annually on that date until otherwise directed, the University shall submit a progress report to the Associate Commissioner for Academic Affairs addressing the following:

- 1. Number of program enrollees and graduates;*
- 2. Placement of program graduates;*
- 3. Hiring of an additional, full-time FTE Supply Chain Management faculty member by August 1, 2009; and*
- 4. Hiring of a second, full-time FTE Supply Chain Management faculty member by August 1, 2010.*